

Message Text

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43

ACTION EB-11

INFO OCT-01 EA-11 ADP-00 AID-20 NSC-10 RSC-01 CIEP-02

SAL-01 SS-14 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-09 NSAE-00 TRSE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-02 DODE-00 PA-03 USIA-12 PRS-01 IGA-02

EUR-25 AGR-20 COA-02 RSR-01 /190 W

----- 040650

R 131300 Z MAR 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC 0000

UNCLAS SAIGON 04049

PASS TREASURY DEPT.

E. O. 11652: N / A

TAGS: EFIN

SUB: GVN EXTERNAL DEBT

REFS: STATE 028541; B) SAIGON 2863; C) SAIGON 2314, 2/22/72;

D) SAIGON 4328, 3/30/72

1. GVN' S OUTSTANDING FOREIGN INDEBTEDNESS AS OF DEC. 31, 1972
IS AS FOLLOWS (WHILE BILATERAL LOANS ARE DENOMINATED IN DONOR
COUNTRY' S CURRENCY AND ADB LOANS IN US\$, FIGURES IN CABLE ARE
IN SDR MILLIONS CONVERTED AT US\$1 - SDR 1.08571 UNLESS
OTHERWISE STATED):

LOAN ORIGINAL DRAWDOWN AS AMORTIZATION AMOUNTS

----- BALANCE OF 12/31/72 OUTSTANDING

----- AS OF 12/31/72

FRENCH

A. PINAY LOAN 12.5 12.5 5.7 6.8

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B. FRANCEFI 40.9 35.1 14.6 20.5

GERMAN

C. AN HOA-

NONG SON

INDUSTRIAL 14.3 13.5 0.3 13.2

COMPLEX

D. AGRICULTURAL

DEVELOPMENT

PROJECT 4.2 4.0 2.3 1.7

E. SLAUGHTERHOUSE

PROJECT 3.9 3.7 - 3.7

JAPANESE

F. CHO QUAN DIESEL

POWER PLANT 4.8 1.8 - 1.8

G. CAN THO ELECTRIC

POWER PLANT 15.7 1.8 - 1.8

UNITED KINGDOM

H. INDUSTRIAL

DEVELOPMENT

PROJECT 2.4 - - -

ADB

I. FISHERIES 2.3 2.2 - 2.2

J. BINH DINH

IRRIGATION 2.3 - - -

K. SAIGON POWER

DISTRIBUTION 5.8 - - -

TOTALS	109.1	74.6	22.9	51.7
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2. ONE NEW LOAN HAS BEEN SIGNED SINCE THE END OF 1972. THIS IS UNCLASSIFIED

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NT\$200 MILLION LOAN FROM REPUBLIC OF CHINA TO GVN FOR PURCHASE OF EQUIPMENT AND SERVICES FROM GOC FOR ECONOMIC DEVELOPMENT PROJECTS. INTEREST RATE IS 4 PERCENT, WITH REPAYMENT OVER 15 YEARS INCLUDING THREE YEAR GRACE PERIOD. THERE IS A 0.5 PERCENT COMMITMENT FEE. PER CHINESE EMBASSY, FIRST OF TWENTY FOUR EQUAL INSTALLMENTS FALLS DUE SEPTEMBER 1, 1976. TWO LOANS FROM JAPAN ARE IN THE SECOND STAGES OF NEGOTIATION. GOVERNMENT TO GOVERNMENT AGREEMENTS WERE SIGNED IN 1972 AND IMPLEMENTING AGREEMENTS ARE ADVANCING. FIRST LOAN FOR YEN 1,070 MILLION TO FINANCE EXTENSION OF TRANSMISSION LINES

FROM DA NHIM POWER STATION TO CITIES OF CAM RANH, PHAN RANG AND DA LAT. INTEREST IS 3 PERCENT AND REPAYMENT PERIOD WOULD BE 25 YEARS INCLUDING 7 YEARS GRACE PERIOD. SECOND LOAN (WHICH ORIGINALLY LISTED REF C) FOR YEN 2.0 BILLION WILL FINANCE INSTALLATION NEW TELEPHONE LINES AND EXCHANGE BUILDING IN SAIGON. TERMS SAME AS FIRST LOAN. ANOTHER LOAN LISTED IN REF C, NOT INCLUDED IN CURRENT LIST, IS JAPAN' S COMMERCIAL LOAN OF YEN 3.3 BILLION WHICH WAS NOT EXPECTED TO BE USED.

3. NEW LOANS CONTRACTED IN PAST YEAR IN ADDITION TO THOSE MENTIONED PARA. 2 ABOVE INCLUDE THE U. K.' S ONE MILLION POUND LOAN AND THE ADB' S LOAN FOR SAIGON POWER DISTRIBUTION . THE U . K. LOAN IS TO BE USED FOR THE PURCHASE OF GOODS AND SERVICES FROM THE U. K. FOR INDUSTRIAL DEVELOPMENT PROJECTS IN THE PUBLIC SECTOR. LOAN TO BE USED BY MINISTRY OF PUBLIC WORKS. IT IS INTEREST- FREE AND TO BE REPAYED OVER 25 YEARS INCLUDING SEVEN YEARS GRACE WITH FIRST INSTALLMENT DUE ON JUNE 21, 1980, AND LAST ON DEC. 21, 1997. ADB LOAN IS FROM SPECIAL FUND AND CARRIES INTEREST RATE OF 2.5 PERCENT, WITH REPAYMENT OVER 25 YEARS INCLUDING SEVEN YEARS GRACE. FIRST INSTALLMENT DUE JUNE 1, 1980; LAST ON DEC. 1, 1997.

4. FIGURES IN PARA. 1 DO NOT INCLUDE DLF LOANS ON WHICH OUTSTANDING BALANCE AS OF DEC. 31, 1972 WAS US\$22.2 MILLION. THESE LOANS ARE REPAYABLE IN LOCAL CURRENCY. PARA. 1 FIGURES ALSO EXCLUDE SDR 0.3 MILLION INDEBTEDNESS TO EXPORT- IMPORT BANK REPORTED BY NATIONAL BANK. WE UNDERSTAND THIS DEBT FULLY REPAYED.

5. PRINCIPAL REPAYMENTS OF FOREIGN CURRENCY DEBT IN 1972 WERE SDR 4.61 MILLION AND INTEREST PAYMENTS WERE SDR 1.02 MILLION, ACCORDING TO PRELIMINARY FIGURES.

6. REPAYMENT SCHEDULES FOR PRINCIPAL (FIRST LINE) AND INTEREST APYMENTS (SECOND LINE) BY COUNTRY THROUGH 1977 ARE AS FOLLOWS UNCLASSIFIED

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(IN SDR MILLION):

	1973	1974	1975	1976	1977
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A. FRANCE	3.33	3.35	3.38	1.30	0.95
	.55	.38	.20	.13	.09
B. GERMANY	.78	1.12	1.12	1.12	.68
	.47	.45	.42	.40	.36
C. JAPAN	-	.69	.69	.69	.69
	.28	.56	.50	.70	.66
D. ADB	-	-	-	.09	.09
	.08	.10	.11	.11	.10
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TOTAL	5.49	6.65	6.42	4.54	3.62

REPAYMENTS FOR ROC LOAN WILL BEGIN IN 1976, BUT SCHEDULE NOT YET AVAILABLE.

7. THERE IS VIRTUALLY NO PRIVATE DEBT DENOMINATED IN FOREIGN CURRENCY, BUT THERE IS INCREASING INTEREST IN MAKING SUCH LOANS. NATIONAL BANK IS GIVING THIS QUESTION SOME THOUGHT NOW, BUT IS LIKELY TO MOVE VERY SLOWLY IN PERMITTING LOANS ON NON - CONCESSIONAL TERMS. PROFIT REMITTANCES ARISING FROM FOREIGN DIRECT INVESTMENT WERE US\$ 13.2 MILLION IN 1972.

8. SEVERAL LOANS MENTIONED IN REF B NOT FINALIZED. THESE INCLUDE GERMAN LOAN OF DM 6.5 MILLION WHICH IS BEING HELD UP BECAUSE OF PROBLEMS RELATING TO AN HOA- NONG SON LOAN AND JAPANESE LOAN FOR PHAN RANG IRRIGATION PROJECT WHICH IS STILL UNDER ACTIVE CONSIDERATION BUT NO DECISION IN SIGHT.

9. IT IS TOO EARLY TO ESTIMATE VOLUME AND VALUE OF LOANS GVN MAY OBTAIN IN 1973. JAPANESE ARE DISCUSSING SEVERAL PROJECTS WITH GVN. THESE INCLUDE SATELLITE GROUND STATION IN VUNG TAU , SAIGON WATER SUPPLY SYSTEM, THERMAL POWER STATION IN NHA BE, AND ENLARGEMENT OF POWER PLANT AT THU DUC. IT IS ALSO LIKELY THAT SOME LOANS WILL RESULT FROM ADB' S RECENT MISSION HERE.

10. DATA IN PARAS 1, 2, 6, 7 AND 8 OBTAINED FROM NATIONAL BANK AND WERE PREPARED FOR IMF TEAM. WE WILL CONTINUE TO DEVELOP DATA AND POUCH MORE DETAILED REPORT.
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QWM WE WILL COMMENT SEPARATELY ON PARAS. 3 AND 4 OF REF A.
BUNKER

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<< END OF DOCUMENT >>

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